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Evaluation

Report of the Administrator

Summary

The present report on evaluation, covering January 1999 to June 2000, emphasizes how evaluation activities have contributed to increasing the effectiveness of UNDP. Four strategic areas are highlighted: (a) aligning monitoring and evaluation instruments with results-based management; (b) strengthening substantive accountability; (c) promoting organizational learning and partnerships; and (d) a macro-level assessment of UNDP performance based on evaluation data.

Considerable progress has been made in strengthening methodologies for results-based management and making it operational, in managing the design of the strategic results frameworks, working with country offices, and contributing to the preparation of the first results-oriented annual report. Methodologies and tools for assessing impact at the country level and an evaluative research programme have been developed to promote stronger substantive accountability. This objective has also been furthered by the systematic monitoring of evaluation compliance, with the rate of strict compliance for the project approval period 1990 exceeding the target of 70 per cent, and by the promotion of evaluation plans as a real-time instrument for country-level substantive accountability.

An important contribution to learning and knowledge dissemination has been made by providing lessons with direct practical relevance and in easily digestible forms to frontline country office staff and their counterparts. This has been achieved through publications such as *Essentials*, the Evaluation Office web site and the Central Evaluation Database, as well as the strengthening of the UNDP Evaluation Network (EVALNET). Partnerships focused on effective learning and dissemination have been central. The Evaluation Office, in overseeing the evaluation function of UNDP programmes and funds, has paid particular attention to assessing the extent to

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which evaluation recommendations have been followed up on, and the mechanisms by which this is achieved.

Finally, the report integrates an analysis based on evaluative evidence of key elements of UNDP performance and factors determining this performance. This reveals an encouraging upward trend in the achievement of immediate objectives, and the relevance of ownership, measured by the level of government support, in contributing towards this improvement.

Contents

		Paragraphs	*Page*
I.	Introduction	1–3	1
II.	Achievements	4–58	3
	A. Results-based management	4–8	3
	B. Substantive accountability	9–39	4
	C. Organizational learning and partnerships	40–49	11
	D. Evaluations by programmes and funds	50–58	13
III.	Assessment of UNDP development effectiveness	59–69	15
IV.	Directions for the future	70–71	18
Annexes			
1.	Evaluation compliance		20
2.	List of evaluations completed and agenda for future evaluations		33

I. Introduction

1. The evaluation function continues to evolve with the challenges posed for UNDP by the introduction of results-based management (RBM) and the strategic directions set out in the Business Plans. These challenges have required considerable reassessment of how evaluation contributes to substantive accountability and organizational learning. This reassessment has highlighted in particular the importance of stronger partnerships in evaluation work and reinforced the need for better methodologies for defining and measuring the results achieved by UNDP. It has also brought into sharp relief the need for early realignment of existing monitoring and evaluation practices with the new strategic directions and the move by UNDP to become a knowledge-driven global catalyst and adviser.

2. The present report which covers the period from 1999 and to mid-2000 details the considerable progress made in grounding the role of evaluation in UNDP. Greater emphasis than in the past is given to an assessment of how evaluation activities have contributed to increasing the effectiveness and results orientation of UNDP. Defining results-oriented monitoring and evaluation tools and practices and integrating them into the organizational culture of UNDP has become of strategic importance, given the centrality of monitoring and evaluation to results-based management.

3. A major focus of the report concerns balancing learning with substantive accountability and how evaluation contributes to it. Over the reporting period, a strong effort has been under way to promote a tighter link between evaluation recommendations and lessons learned with management decisions and improved organizational practice. Finally, integrated into the report is a presentation of key trends in performance of UNDP based on an analysis of the assessments undertaken by outside evaluators. This analysis complements and in some cases strengthens the conclusions arising from the 1999 results-oriented annual report (ROAR).

II. Achievements

A. Results-based management

4. The introduction of RBM has required considerable change in evaluation practice in UNDP. The close involvement of the Evaluation Office in the preparation of the strategic results framework (SRF) and the multi-year funding framework (MYFF) provided an opportunity to ensure that monitoring and evaluation concerns were fully integrated into the design of the SRF and that these concerns become increasingly central to strategic management and learning processes in UNDP. This has strengthened considerably the demand for evaluative information since preparing individual ROARs require answering questions on the contribution and development impact of UNDP. The focus on outcomes in particular encourages partnerships since working together requires agreement on joint objectives and collaboration on assessing progress.

5. UNDP has provided leadership in methodology development and in the design of results-based systems. Progress made by UNDP in RBM methodology has been with the close involvement of other multilateral and bilateral organizations. This very process of close consultation has helped to reinforce the importance of RBM in

international forums such as the working group on aid evaluation of the Development Assistance Committee of the Organisation for Economic Development and Cooperation (OECD/DAC).

6. The SRF/MYFF provide an increasingly objective basis for assessing organizational performance, with the ROAR recording and assessing progress made against intended results. The SRF as such emerges as a tool for both planning and managing results organization-wide. Based on the lessons learned from the first SRF roll-out and the 1999 ROAR, work is under way to refine the SRFs. The Evaluation Office will continue to be involved in this task in collaboration with the Bureau for Development Policy (BDP) and other units.

7. Working closely with the country offices was the most pressing challenge to ensure that RBM is effectively operational. An exceptionally unified team managed the roll-out of the SRF to country offices, with the Bureau of Management (BOM), the Operations Support Group (OSG) and the Evaluation Office playing key roles. The Office took the lead in providing guidance in methodology, staff resources for intensive training and facilitating the development of a virtual network to allow the exchange of information between country offices and headquarters. As RBM moves into a more operational phase, the responsibility of coordinating the SRF/ROAR process in the organization has now been assigned to OSG.

8. Driving the culture of results-orientation in the organization means also the re-alignment of existing practices, tools and processes. This is an ongoing task for many parts of the organization. As regards monitoring and evaluation practices, the Evaluation Office has initiated a process to revise the *Results-oriented Monitoring and Evaluation Handbook* so that existing monitoring and evaluation practices are aligned with results-based management approaches.

B. Substantive accountability

9. Enhancing substantive accountability presents an ongoing challenge for UNDP. While currently no comprehensive framework exists for ensuring substantive accountability, the SRF, the ROAR, and the emphasis on objective performance through the use of indicators are emerging as the cornerstone of such a framework.

10. The Evaluation Office plays an important role in promoting and re-enforcing this framework through the development of various monitoring and evaluation tools and methodologies. Some, such as the system of evaluation compliance, are currently in place while others are in the developmental stages.

1. Evaluation compliance and evaluation plans

11. A core instrument of substantive accountability is provided through the systematic monitoring of evaluation compliance. A 71 per cent rate of strict compliance was attained for the project approval period 1990, exceeding the target of 70 per cent (see annex 1). The annex reveals that the number of evaluation reports received by the Evaluation Office increased substantially in 1998 and 1999 compared with the 1996-1997 period. Comparing 1990 with 1988-1989, the BDP rate of compliance more than doubles to 73 per cent, Asia and the Pacific increases from 67 to 72 per cent while Africa falls slightly to 73 per cent and Latin America and the Caribbean declines from 58 per cent to 50 per cent.

12. When reassessed in the context of the introduction of RBM, it is clear that there is a need to extend mechanisms for substantive accountability further. Some progress has been achieved through the introduction of evaluation plans although they have yet to achieve their full potential.

13. Evaluation plans are designed to provide relevant advance information on the areas in need of assessment. While traditional compliance reporting involves a long time lag, often six or seven years, in its assessment of performance, evaluation plans furnish a more timely instrument for country-level substantive accountability. Evaluation plans could also provide a tracking framework to link recommendations to decision-making processes and implementation. They were made a requirement in 1998 and were included in the UNDP Programming Manual in April 1999.

14. This instrument permits the calculation of the proportion of mandatory evaluations to be conducted, broken down by regional bureau; initial performance figures for 1999-2001 will be presented next year. Preliminary estimates of the breakdown by area of focus of evaluations planned in 1999 show differences in emphasis across bureaux. For example, poverty is the largest area for Africa, accounting for 41 per cent of planned evaluations, followed by environment while governance ranks highest for Arab States, at 50 per cent, and for both Latin America and the Caribbean and Asia and the Pacific, at over one third of planned evaluations.

15. The assessment of country office evaluation plans, combined with strong encouragement to country offices to submit plans, represents an important step forward. The plans provide an important real-time mechanism for improved accountability by ensuring that the portfolio of evaluations that a country office intends to carry out is consistent with the priorities of UNDP, and is likely to allow lessons to be drawn for future programming. Evaluation plans offer UNDP an avenue through which it will increasingly be possible to offer country offices pro-active guidance on the types of evaluation that are likely to be most suitable and draw attention to the existence of similar evaluations conducted by others. The recently established Evaluation Plan Database, now accessible through the Evaluation Office intranet site, allows country offices and other units managing evaluations to prepare their evaluation plans on-line and makes them available more broadly. This will allow users to identify possible areas of collaboration in organizing evaluations addressing similar issues and to identify themselves potential sources of lessons.

2. Methodologies for assessing impact and improving feedback

16. The ROAR provides a systematic assessment of progress made by UNDP against its strategic objectives. This in turn requires the development of complementary tools for impact assessment, which examines how far progress has been translated into concrete developmental changes for the poor. In an attempt to respond to this challenge, in 1999 the Evaluation Office developed a methodology for country-level impact assessments (CLIAs). The CLIA objectives are to: (a) document all UNDP interventions, including policy dialogue and advocacy and (b) identify all factors that have led to the impact in order to draw appropriate lessons.

17. Since October 1999, the Evaluation Office has been testing its methodology for the CLIA in Burkina Faso. Further testing will be conducted in Malawi and in an Asian country. Once this has been completed and the methodology has been refined

appropriately, the Office will conduct three to five assessments a year. The focus on impact and the attention to building in-house capacities to evaluate impact will contribute to the wider promotion of results-based approaches.

18. RBM requires the rapid provision of feedback to allow for corrective steps in policy or implementation. An instrument seeking to respond to this need is the Evaluative Research Programme (ERP) developed by the Evaluation Office in 1999. The ERP is designed to meet the need of UNDP for "just enough knowledge, just in time", providing relevant evaluative knowledge as and when knowledge is needed. It represents an experimental approach to the challenge of making evaluation more relevant to the organization and will provide lessons for policy and strategy formulation more rapidly than is normally feasible. The programme of work was approved in early 2000, on the basis of the ROAR findings, the focuses on governance-poverty linkages and linkages between macro policies and micro-level initiatives.

3. Linking evaluation recommendations to decision-making

19. A key element of substantive accountability concerns effective mechanisms for ensuring that there is effective follow-up to the recommendations contained in evaluations and that progress in implementation is tracked. This requires action with respect to both country-level evaluations and corporate-level strategic and thematic evaluations.

Country-level follow-up

20. The annual project/programme report (APR) provides, in principle, a means of tracking the implementation of recommendations contained in country-level evaluations. While the APR is an essential part of the project cycle, it is clearly not working as it should, and neither is it facilitating the mainstreaming of RBM. Concern at these shortcomings resulted in the decision to conduct a survey of various managers in country offices to assess the extent to which recommendations contained in country-level evaluations are implemented and to identify what the obstacles to effective follow-up might be. The survey revealed that there is no systematic mechanism to ensure that recommendations are acted upon. While several country offices had developed their own semi-formal approaches, including the regular preparation and monitoring of implementation plans setting out an action plan for recommendations contained in each evaluation, most respondents favoured a more systematic approach.

21. The survey highlighted several factors influencing the likelihood of effective follow-up of recommendations, including the quality of the evaluation itself, the relevance and realism of the recommendations, and the degree of ownership felt by the key stakeholders. It was felt that ownership required the full participation of all major stakeholders, and if this was felt to conflict with considerations of objectivity, these conflicts should be addressed openly rather than by curtailing participation.

22. The majority of respondents underlined the value of mid-term evaluations above terminal evaluations, a finding that is consistent with the increased share that mid-term evaluations represent of the total, up from 23 per cent for 1997-1998 to 37 per cent in 1999. It is also consistent with the emphasis the Evaluation Office has placed on the need for evaluation to provide managers with relevant information when they need it. While mid-term evaluations are seen as highly relevant, with the

potential to assist mid-course corrections, they are often not acted upon. A possible function of the evaluation plans could be to provide a system of accountability that tracks whether recommendations are being followed upon. Terminal evaluations remain important as a source of generic lessons and for overall accountability.

Corporate-level follow-up

23. The programme of strategic and thematic evaluations managed by the Evaluation Office during 1999 and the first six months of 2000 corresponds closely to the strategic priorities of UNDP as revealed both in the MYFF and the Business Plans. It has been developed in close dialogue with UNDP senior managers. The mechanism to ensure that evaluation recommendations are fed into decision-making includes the preparation of action briefs by the Evaluation Office, summarizing the main findings and recommendations of each evaluation as well as their corporate implications. Action briefs are submitted to the Executive Team for appropriate decision. The Evaluation Office keeps a record of the discussions and decisions made in this form to facilitate the monitoring of implementation. For evaluations presented to the Executive Board, formal management responses are now being prepared and submitted with the evaluation reports.

24. The major strategic and thematic evaluations conducted during the 1999-2000 period include those on post-conflict situations, decentralization and good governance, the UNDP/UNOPS relationship, the subregional facilities (SURFs), as well as the evaluations of aid coordination and of the UNDP global programme conducted by BDP, and which BDP will present to the Executive Board.

Post-conflict situations

25. Based on emerging corporate priorities, the Evaluation Office initiated a comprehensive review of the work of UNDP in complex emergencies in late 1998, with a particular focus on reintegration programmes. This strategic review, *Sharing New Ground in Post-Conflict Situations*, was completed in the course of 1999. It provided a critical analysis based on a highly consultative assessment of UNDP programmes in 15 countries as well as broader discussions of UNDP performance with a wide range of actors, such as United Nations specialized agencies, non-governmental organizations (NGOs), funds and programmes, bilateral agencies and government officials.

26. Major recommendations were made in the areas of policy, programming and coordination. The evaluation recommended that UNDP secure its position as a valuable and effective partner in post-conflict assistance by recognizing work in post-conflict situations as an essential part of the core mission and mandate of UNDP, and that this be set out in a clear policy statement. The evaluation concluded that there is no gap between relief and development, that development concerns persist, and UNDP has a critical role to play by being involved at every stage of crisis or post-conflict in a programme country.

27. At the programme level, UNDP is the only agency with a cross-sectoral mandate, enabling it to address the needs of the entire war-affected population, including specific target groups, such as refugees or internally displaced persons (IDPs), in the context of their communities. The evaluation recommended that to achieve this, UNDP must strengthen its community-level, area-based reintegration approaches. It recommended that UNDP redefine the role of the Emergency

Response Division (ERD) in order to enhance coordination and turn it into a strong technical resource unit, clarifying the field backstopping responsibilities of ERD and the regional bureaux.

28. While the evaluation has been valuable in promoting a thorough discussion of the issues, actual decision-making is still in process. The findings and recommendations of the evaluation were presented to the Transition Team and reflected in the Team's report, published in October 1999, and in the Crisis and post-conflict business plan, submitted to the Executive Board at its second regular session 2000 as part of the report of the Administrator on the role of UNDP in crisis, post-crisis and recovery situations (DP/2000/18). The discussion at the session underlined the key issues that remain to be addressed. In response to this, a policy framework paper on crisis and post-conflict situations is being prepared by the Emergency Response Division for presentation to the Executive Board at its first regular session 2001. It will include an analysis of specific management measures in response to the evaluation's findings. Corporate implications of the post-conflict evaluation are highlighted in box 1.

Box 1
Some corporate implications of the post-conflict evaluation

Repositioning

There is a strong demand from partners, programme countries and donors for UNDP to play a significant role in post-conflict situations, both as a coordinator for the United Nations system and as a development agency. The debate about the continuum is over; it is clear that development concerns and interventions persist before, during and after conflicts. UNDP must position itself to respond to the reality that a strong development partner and coordinator are needed at all times.

Mainstreaming

UNDP must effectively mainstream crisis and post-conflict issues throughout the organization. Mainstreaming post-conflict is critical if the organization hopes to address properly the full gamut of interventions — from prevention and peace-building to reintegration and recovery — addressed in the report.

Decentralization and good governance

29. The importance attached to joint evaluation is reflected in the approach taken to assessing performance in the area of decentralization and good governance. UNDP and the Ministry for Economic Cooperation and Development (BMZ) of Germany collaborated in 1999 on an assessment of UNDP support in these areas. The Government of Germany had evaluated its own decentralization projects in 13 countries but the joint evaluation sought to provide a broader view going beyond bilateral concerns.

30. Two key lessons drawn by the evaluation may be highlighted. First, UNDP has a comparative edge over bilateral agencies in addressing issues and providing

support in the politically sensitive areas of decentralization and local governance. Its multilateral impartiality and the goodwill and trust it enjoys in programme countries, among other factors, put UNDP in a position of considerable advantage. Second, the highly cross-sectoral nature of decentralization and local governance requires greater emphasis than ever on closer coordination and stronger operational partnerships among donors. Partnerships need to extend to key actors besides governments, including civil society and the private sector.

31. The evaluation recommended that UNDP concentrate its efforts on providing upstream policy advice to governments, combined with advocacy where needed, and complement this with a series of downstream, field-level operational projects for effective reality-testing. It recommended that UNDP broaden its execution and implementation arrangements to include a greater mix of State, civil society and private sector organizations. Finally, the evaluation underlined the need for greater attention to formal and informal mechanisms for monitoring and evaluation in this complex area.

32. Considerable attention is being given to follow through on the evaluation results, both within UNDP and externally. In keeping with the strategic nature of the evaluation, UNDP and BMZ co-sponsored a seminar in Berlin in May 2000 to present the main results of the evaluation to development professionals and practitioners from developing countries and donor institutions. The results of this seminar are being reviewed, and will form the basis for UNDP action jointly with other partners. Attention is being given to:

(a) Feeding the results of the evaluation and the seminar into a high-level policy dialogue, inter alia, through the OECD-DAC Working Group on Aid Evaluation, to link the lessons learned to the overall aid policy framework;

(b) Undertaking joint programmes, including more in-depth studies in a few countries;

(c) Instituting more systematic feedback and sharing of lessons learned among partners.

Evaluation of the UNDP-UNOPS relationship

33. Another major strategic evaluation managed by the Evaluation Office examined the working relationship between UNDP and UNOPS. It was recognized that a comprehensive understanding of the institutional cooperation between the two organizations necessitated very close dialogue at all stages. The preparation process for the evaluation was highly consultative, including finalizing the terms of reference, the selection of evaluators and the choice of countries to be visited. The close dialogue has contributed to strong commitment made by both institutions to following up on the evaluation findings and recommendations, and made concrete in the establishment of a joint working group.

34. The evaluation emphasized the importance of addressing divergences in perception and building trust, as well as of clarifying the delineation of responsibilities between the two institutions. Institutionally, the evaluation team found considerable overlap between the two organizations, but also strong work in post-conflict situations and the building of national execution. The report made far-reaching recommendations on the roles and responsibilities of the two organizations on institutional arrangements and on key management and financing issues.

35. Reflecting the complex and sensitive nature of the evaluation, UNDP and UNOPS jointly presented a first management response to evaluation to the Executive Board. Debate is continuing and issues remain to be settled, but a mechanism for ensuring concrete progress has been established, through a joint task force, established by the Administrator and the UNOPS Executive Director. The Board has considered two documents so far on this matter: a joint review of the recommendations (DP/2000/CRP.8) and an updated review of the implementation of the recommendations of the Board of Auditors (DP/2000/26). A report on the follow-up to the evaluation (DP/2000/35) is before the Board at its current session.

Review of the subregional resource facilities (SURFs)

36. The Evaluation Office carried out an assessment of the SURF system, the key UNDP knowledge management initiative, which began full operations in 1999 as part of the 2001 change process. The review indicates that the SURFs currently provide a mix of technical services and knowledge referral services and that they have been more successful in delivering technical services to country offices. It recommended that the SURFs specialize in this aspect. The review, however, underlined that UNDP has not yet developed a coherent vision for knowledge management and examined way in which the SURF system could contribute to a strengthened knowledge management process.

37. The recommendations suggest two strategic interventions to ensure the successful implementation of an organizational knowledge management system. The first emphasizes the organization of efficient delivery of high quality advisory functions, whereby SURFs have access to multidisciplinary expertise, which can be accomplished with decentralized BDP professionals. The second set of recommendations concentrates on the essential elements required for a knowledge management system, and how this should be managed within UNDP. The recommendations will be submitted to the Executive Team, which will consider how they can be implemented most effectively and, subsequently, to the Executive Board.

Evaluations of aid coordination

38. UNDP and the World Bank undertook parallel evaluations in 1999 of their respective coordination mechanisms, the round-table mechanism (RTM) and the Consultative Group meetings. This was managed by the BDP Management Development and Governance Division (MDGD). UNDP and the World Bank worked separately and produced two reports, which were subsequently presented to the OECD/DAC. The evaluation of the RTM found that the mechanism has contributed to facilitating countries' efforts to defining their policies and programmes despite the fact that its follow-up mechanism remains relatively weak.

39. To follow-up on the findings and recommendations of the two reports, the OECD/DAC, the World Bank and UNDP jointly organized the Development Partnership Forum in December 1999. Forum participants reviewed their experiences with aid coordination processes in light of the findings and recommendations of the two evaluations. To build on the momentum of the Forum, each of the co-sponsoring organizations has agreed to strengthen their cooperation. The general approach of UNDP to achieving effective coordination will involve providing relevant data for informed decision-making, organizing forums for

consensus-building among development partners, and building up and complementing, where necessary, national capacity for effective information processing and decision management for development. Specifically, UNDP has pledged to promote country ownership in development cooperation and coordination and will work with its multilateral and bilateral partners to strengthen national capacities to that end.

C. Organizational learning and partnerships

40. UNDP is committed to transforming itself into a learning organization, but currently lacks a fully developed framework for knowledge management, as highlighted in the review of the SURFs. Much work remains to be done. Two elements designed so far to address this gap are the reorganization of BDP, including the development of a decentralized network for policy support, and broader attempts to turn information into readily usable knowledge.

41. A central focus of the work of the Evaluation Office has been to develop knowledge products relevant to the needs of practitioners and to enter into partnerships to promote knowledge networks and joint interventions critical to the achievement of development outcomes.

42. Within the organization, the contribution of the Evaluation Office to knowledge management includes the design of products, such as the publication *Essentials*, which distil lessons and deliver them in reader-friendly format. The range and quality of information available through the Evaluation Office web site has been improved, including by providing access through the web site to the Central Evaluation Database (CEDAB).

43. A survey of country offices was conducted to respond better to their needs for relevant and practical lessons. *Essentials* was launched to provide concise information of direct, practical relevance to frontline country-office staff and their counterparts. The themes covered included small and medium-size enterprise development, entrepreneurship development, and microfinance. Each *Essentials* draws upon CEDAB to highlight key findings based on UNDP experience but is also designed to provide an entry into lessons learned by other United Nations agencies, the World Bank, and academic research. Very positive feedback on the value of *Essentials* has been received from UNDP country offices and also governmental and non-governmental partners. *Evaluation Update*, a newsletter published by the Evaluation Office three times a year, has also contributed to making evaluation knowledge more accessible and usable to practitioners and policy makers in UNDP.

44. The Evaluation Office has a regularly maintained internet and intranet web sites that provide an on-line dissemination vehicle for these and other products as well as the final versions of major strategic and thematic evaluations conducted. The web site, significantly enhanced to include a search facility, is also the gateway to such on-line tools as CEDAB and the Evaluation Plan for use by country offices. CEDAB requires substantial further development in order to conform to RBM, and more needs to be done to make it into an Internet platform that brings suppliers and users of information together in real time. Further work is required in order to exploit its potential as a knowledge-exchange system.

45. A further important component of the strategy for improved learning and knowledge dissemination has been the strengthening of the UNDP Evaluation Network (EVALNET), which took place in December 1998. A series of three workshops was held in 1999 that enabled its 32 members to have a common understanding of the objectives of the network as a mechanism for promoting organizational learning. Since then, EVALNET members have been active in three areas. First, they have participated directly as team members in country-level evaluations and reviews, and through participation in corporate exercises managed by the Evaluation Office, such as the pilot-testing of the methodology for country-level impact assessments. Second, they have provided substantial expert input into the review of a wide range of documents and resources relating to monitoring and evaluation. Finally, EVALNET members have provided substantive and logistical support to evaluation missions.

46. An internal review has pointed to the need to increase opportunities for more frequent direct participation of EVALNET members in evaluations and related activities outside of their duty stations, to enable better cross-fertilization of ideas and to help to promote the culture of a learning organization. More dynamic and interactive exchange of knowledge will be promoted through greater use of information technology.

47. A key element of the Evaluation Office approach to learning and knowledge dissemination has centred on the building of focused partnerships. Thus the Office has worked collaboratively with a considerable range of partners, with the specific purpose of enhancing the ability of UNDP to gather knowledge, learn lessons and effect change. In the area of country-level impact assessments, for instance, UNDP has been in close contact with counterparts in the World Bank and USAID, the United States Agency for International Development in order to draw on the results of their recent initiatives focusing on impact assessment. A similar focused approach to partnership was taken with respect to joint evaluations with the BMZ and with the Japan International Cooperation Agency.

48. The Evaluation Office also sought to promote strong alliances and effective partnerships to contribute to evaluation capacity-building. Specifically, this was achieved by jointly sponsoring with the World Bank the Conference on Evaluation Capacity Development at the National Centre for Science and Technology in Beijing in October 1999. It brought together 14 countries from Asia and the Pacific and, by underlining the importance of joint evaluations and partnerships, it is supportive of the moves towards RBM and is thus an approach which will be built upon in the future. The conference recognized the role that evaluation is playing as an essential part of good governance and public sector reform, particularly in promoting transparency and accountability. UNDP focused in particular on the interface between RBM and monitoring and evaluation. In follow-up, UNDP, in partnership with the World Bank, is promoting the development of national development evaluation capacities (see box 4).

49. A further element in the partnership-centred approach involves close UNDP collaboration with the OECD/DAC, particularly with the Government of the Netherlands, to support recipient-led evaluations. While giving full control to the national authorities, this evaluation will also underscore the importance of evaluation capacity development at the national level.

Box 2

Partnerships for learning and knowledge dissemination

The World Bank and UNDP launched an international development evaluation association (IDEA), designed to be an independent organization dedicated to promoting evaluation as a key tool of results-based management in development. IDEA will foster evaluation as an essential instrument of transparency in development. It will also encourage professional networking among donors and developing countries, disseminating best practices, raising evaluation standards, and promoting the exchange of evaluation skills across countries and cultures. Its aims and role will combine the activities of a traditional professional association with a strong developmental role aimed at expanding evaluation capacity in developing countries.

D. Evaluations by programmes and funds

50. UNPD has an important role to play in overseeing the evaluation function of funds and programmes and ensuring that they conform to the norms and standards set by the organization for that purpose. In the past, there has been regular dialogue but this has not led to a fully developed, coherent approach. This has been recognized, and UNDP is responding to it: for example in the recent development of new guidelines for monitoring and evaluation, consistent with those of UNDP, by the United Nations Volunteers (UNV) and the Global Environment Facility (GEF). As part of the presentation of the ROAR to the Executive Board at the annual session 2000, a conference room paper was submitted, setting out objectives and indicators for funds and programmes to ensure alignment with the SRF and ROAR methodologies (DP/2000/CRP.10). The Evaluation Office, in particular, is also in dialogue with the associated funds and programmes to ensure that the lessons learned from pilot or innovative programmes are effectively scaled up in the wider organization. This knowledge link of empirical evidence provided excellent inputs for *Essentials*.

51. In line with the increased focus on organizational and development effectiveness, the funds and programmes associated with UNDP were asked to provide specific examples of how evaluation activities were intended to contribute to improved effectiveness. In particular, the funds and programmes were requested to highlight how recommendations contained in evaluations have resulted in concrete changes in approach or policy, and how this can be further enhanced. Their responses reflect a careful effort to move beyond the descriptive and a consideration of how evaluations can contribute to improved results. This reorientation will be built upon in subsequent annual reports.

52. In 1998, a major external evaluation of the United Nations Capital Development Fund (UNCDF) was carried out by its donors. The external team of consultants finalized their report in June 1999 and concluded that UNCDF had developed "competence in the fields of decentralization and local governance, together with microfinance". Of particular interest are the mechanisms for following up on the recommendations contained in the report, which determine whether the

evaluation will contribute towards improved effectiveness. The conclusions and recommendations were incorporated into the report of the Administrator (DP/1999/37), of which the Executive Board took note with appreciation in its decision 99/22. The evaluation was not seen as a single event by UNCDF, but as part of a long-term process of establishing its comparative advantage, developing and refining policies, and increasing its effectiveness in delivering programmes and ensuring their replication and scaling-up within UNDP more generally. Following decision 99/22, UNCDF prepared its Action Plan 2000, which set out the strategy, actions and deadlines necessary to implement each recommendation from the evaluation. Teams have been established and progress reports are prepared on a quarterly basis. The recommendations were also incorporated into the UNCDF strategic results framework, 2000-2003, its identification and approval process has been modified, and the UNCDF structural organization has been refined.

53. UNCDF has also conducted an evaluation of its MicroStart programme and 15 project evaluations. The MicroStart evaluation was completed in November 1999 and the recommendations have been included in the Action Plan 2000, resulting in several changes in practice, including the incorporation of a limited set of objective performance indicators that will guide the release of funds in tranches. Mechanisms are being set up to ensure that findings from project evaluations contribute to change — 15 were completed in 1999 — including debriefings of headquarters staff by evaluation teams and annual publication and wide distribution of evaluation summaries.

54. The Strategy and Business Plan, 2000-2003, of the United Nations Development Fund for Women (UNIFEM) seeks to link its results-based and knowledge management focus with its evaluation system. UNIFEM evaluation activities in 1999 focused on three areas: (a) evaluations of projects at the national or local level, covering innovative pilot approaches to women's empowerment and gender equality; (b) evaluations of regional programmes; and (c) evaluations of thematic initiatives across regions, reviewing policy, practice and programme approaches. An evaluation of gender-based violence in Latin America and the Caribbean illustrates how evaluation recommendations have resulted in changes in approach at the level of a regional project. The evaluation highlighted structural weaknesses in the management of the regional initiatives, which were then discussed by an inter-agency committee in New York (involving UNIFEM, UNDP, UNICEF and UNFPA) as well as UNIFEM field office staff. As a result, the second phase of the project was re-designed, involving the decentralization of the management structure. UNIFEM uses evaluation debriefings to ensure that evaluation results are shared and can contribute towards changing policy and practice. It has drawn up plans to provide summary reports and facilitate dialogue through the Internet on evaluation findings.

55. The Global Environment Facility carried out 20 evaluations in 1999, half covering specific projects, and the remainder assessing broader or thematic performance. Efforts have been made to ensure that evaluation findings are followed through and that they result in improvements in policy and approach. A good example of this is the UNDP/GEF Project Implementation Review, conducted in 1999, which recommended the need for increased emphasis on identifying and incorporating indicators on progress and impact, a flexible, phased approach and a longer time span for implementation, and the importance of moving from a project-approval culture towards a system that emphasizes results. As a consequence,

UNDG/GEF headquarters supported three project-level indicator-retrofitting workshops in 1999, and held a logframe-training workshop in December 1999. The importance of flexible, phased approaches was accepted by all three GEF implementing agencies, and the design of new projects reflects this, with the incorporation of clear benchmarks. The GEF Council has requested that the GEF Monitoring and Evaluation Coordinator report on implementation, representing an important policy shift. In response, the GEF has launched a "driving-for-results" initiative, and a workshop will be held in June 2000 to develop a corporate action plan.

56. The evaluations conducted by the United Nations Office to Combat Desertification and Drought (UNSO) in 1999 included a mid-term assessment of the UNSO/UNV programme Promoting Farmer Innovation under Rainfed Agriculture in the drylands of sub-Saharan Africa. As well as documenting achievements, the evaluation indicated areas requiring action, including weaknesses in linkages between the programme and research institutions. A protocol has thus been developed with key research institutions to facilitate impact assessment and the validation of innovations that have been identified. In addition, Phase II of the project will give greater emphasis to feeding findings into the policy-making process and to promoting the integration of agriculture sector policies into the areas of extension, research and food security.

57. Increased weight has been given to learning from evaluation with respect to the Multilateral Fund for the Implementation of the Montreal Protocol, as witnessed in the decision to replace the Executive Committee's Subcommittee on Financial Matters with the Subcommittee on Monitoring, Evaluation and the Finance Subcommittee. As a result, in 1999 the Senior Monitoring and Evaluation Officer has synthesized the lessons learned from each project, and submitted recommendations to the Executive Committee. The outcome has been an enhanced ability to ensure that lessons directly contribute to the reformulation and updating of current policy and practice.

58. The United Nations Volunteers Programme (UNV) conducted a range of strategic and project reviews in 1999, funded through a new evaluation facility established pursuant to Executive Board decision 98/13. This has enabled UNV to test innovative methods of evaluation, and has resulted in particular in beneficiary participation in the preparation of terms of reference and the design of evaluations. It has contributed to ensuring that recommendations reflect the concerns and interests of the targeted groups, and increased ownership of the follow-up actions. Furthermore, UNV updated and expanded its guidelines for monitoring and evaluation based on the UNDP handbook, *Results-oriented Monitoring and Evaluation*, and is currently incorporating them into the monitoring and evaluation processes in UNV.

III. Assessment of UNDP development effectiveness

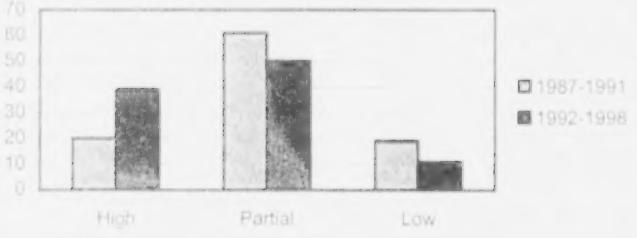
59. Evaluation reports represent an important source of evidence through which UNDP performance can be systematically assessed. For the first time in the annual report evaluation, the present chapter contains an analysis of key elements of UNDP performance and factors affecting this performance. It is based on the portfolio of evaluations received by the Evaluation Office and entered into CEDAB. A more

comprehensive report is contained in a conference room paper submitted to the Executive Board at the current session (DP/2000/CRP.15).

60. In line with the DAC guidelines, overall performance can typically be judged according to various criteria, including the achievement of outputs, of immediate objectives, impact, relevance and efficiency, among others. Further work is required to ensure full alignment between this evaluation-based assessment and the concept of outcomes and the categories of activities used in the SRF.

61. Figure 1 reveals encouraging evidence of a significant improvement in UNDP performance over the past decade. It compares the performance of all projects approved during 1987-1991 with that of more recent projects, designed and approved between 1992-1998. Newer projects were virtually twice as likely to show significant achievement of their immediate objectives than older projects, with the share of high-performing projects almost doubling from 20 per cent for 1987-1991 to 39 per cent for 1992-1998. This increase in performance was achieved not simply by reducing the share of projects that were ranked as only partially achieving their objectives, but by achieving a reduction in the proportion of projects ranked "low" (i.e., from 19 per cent to 11 per cent.

Figure 1: Achievement of immediate objectives: A comparison over time (percentage)



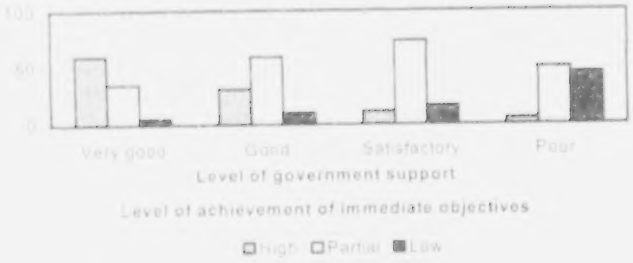
62. UNDP performance has improved for both nationally executed and non-nationally executed projects. However, the absolute level of performance for nationally executed projects is substantially higher for both time periods, and thus the increasing share of nationally executed projects in the overall portfolio of UNDP contributes to the large improvement in overall performance in the 1990s. For the 1992-1998 period, 46 per cent of nationally executed projects achieved their immediate objects to a high degree compared with 29 per cent of non-nationally executed projects.

63. The higher level of performance of nationally executed projects reflects the positive attributes of the NEX modality, as documented in an evaluation of nationally executed projects carried out in 1995. These include the increased levels of ownership and self-reliance associated with nationally executed projects, which have strengthened capacity-building effects and improved sustainability. At the same time, it is recognized that there remains a need to simplify and improve the modality itself, given the many problems associated with it, as highlighted in a recent audit of nationally executed projects. The EVALNET survey noted that the dialogue

concerning the recent generation of nationally executed projects concentrated more on institutional issues and modalities for effective management, and less on the volume of equipment and assistance being provided.

64. The importance of ownership in shaping levels of performance is strongly revealed in the evaluation evidence. The analysis of the entire portfolio of terminal and *ex post* evaluations reveals that there is a strong correlation between the achievement of immediate objectives and the extent to which the project is owned by project partners, as measured by an assessment of the level of government support. Figure 2 illustrates this relationship clearly, showing that 60 per cent of all interventions that enjoyed a very good level of government support achieved their immediate objectives to a high degree, and only 5 per cent were poor performers. Equally, nearly half of all interventions enjoying a poor level of government support received a low rating for the achievement of immediate objectives, and only 5 per cent of poorly supported projects were estimated to have achieved their objectives to a high degree.

Figure 2. Achievement of immediate objectives by level of government support
(percentages)



65. The portfolio of evaluations shows that nationally executed projects tend to enjoy greater government support with almost 70 per cent of all nationally executed projects receiving very good or good support, on average, 19 per cent satisfactory support and only 12 per cent poor support. Non-nationally executed projects, on the other hand, received significantly lower levels of support with 42 per cent receiving very good or good support, 43 per cent satisfactory support and 15 per cent poor support. The higher performance of nationally executed projects can be attributed to the greater involvement of national institutions in all project stages, from formulation to implementation.

66. The quality of project management is also an important determinant of the ability of UNDP and its partners to achieve their immediate objectives. Of all projects evaluated as having been very well managed, nearly two thirds were rated as significantly achieving their immediate objectives, and only 3 per cent were rated poor. The inverse was true of projects evaluated as having poor standards of project management, where only 3 per cent significantly achieved their objectives, and 58 per cent were rated as poor. The quality of project design is a further factor influencing performance although the correlation is somewhat weaker than for ownership and project management. Almost half of all projects evaluated as having

been poorly designed also ranked as poor in terms of achieving their immediate objectives, compared with only 13 per cent of very well- or well-designed projects.

67. This evaluation-based evidence of performance may be used in comparisons with other organizations. There are many difficulties in making direct comparisons, including the lack of common benchmarks, differences in institutional culture and the degree of independence and self-criticism reflected in ratings. Direct comparisons must therefore be treated with great caution, and an alternative is to compare trends in performance that have been measured using the organization's own criteria.

68. The share of UNDP projects rated as having significantly or satisfactorily achieved their immediate objectives increased from 81 per cent for those approved between 1987-1991 to 89 per cent for 1992-1998. Comparable data is collected and analysed by the Department for International Development (DFID) of the United Kingdom and the World Bank. The DFID analysis also shows an upward trend in performance, with the share of projects rated satisfactory or better rising from about 66 per cent (1979-1988), to 73 per cent (1989-1992), and approximately 75 per cent for 1993-1997.

69. The methodology used in the World Bank *Annual Review of Development Effectiveness (1999)* differs from those of UNDP and DFID, emphasizing performance in terms of outcome, and grouping results by year of project exit rather than year of approval. The World Bank measure of performance also reveals an upward trend in performance over time, with the proportion of dollars lent that were rated as having achieved satisfactory or better outcomes increasing from 72 per cent for 1990-1993, to 77 per cent for 1994-1997, and 81 per cent for 1998-1999.

IV. Directions for the future

70. The role of evaluation, and of the Evaluation Office in particular, continues to be critical to the organization. In order for evaluation to play its role effectively and build upon on the progress noted in the present report and the lessons learned, the following strategic directions will be pursued:

(a) *A continuing emphasis on strengthening results-based management in UNDP*. The Evaluation Office will assign priority to the work of aligning more tightly its instruments for monitoring and evaluation with the results-based orientation of UNDP. A commitment to technical excellence in the complex area of RBM must be complemented with efforts to integrate effective monitoring and evaluation into the core management concerns of country offices and headquarters. There is a key challenge here to mainstream the culture of measurement, monitoring and evaluation in the organization. This will include utilizing country office evaluation plans proactively for alignment with organizational goals and providing necessary technical guidance and methodological support. Additional efforts will also be made to ensure that the evaluation-based assessment of UNDP performance at the macro level is further aligned with the strategic results framework. In this way, analysis of evaluation evidence should prove increasingly complementary to the results-oriented annual reports (ROARS).

(b) *A renewed commitment to partnerships*. Although, as described in this report, considerable progress has been made in nurturing and promoting

partnerships, it is clear that a more concerted effort is necessary in the future to extend these partnerships to the whole organization — by the Evaluation Office and other organizational units at headquarters — and to give greater encouragement to country offices to pursue joint evaluations as they move towards regular assessment of key outcomes in line with the challenges posed by RBM (and as highlighted by the 1999 ROAR). Partnerships in evaluations, in lessons learned and in methodology development are central to deepening the knowledge base of development aid.

71. There is also a more general need for evaluation to tackle broader organizational issues and to provide evaluative perspectives on the transformation under way in UNDP. This will require focusing evaluation and monitoring policy, strategy and priorities to help in the repositioning of UNDP and to enhance its relevance as a knowledge-driven global adviser and catalyst. The assessments, evaluations and knowledge products to be generated must be more directly targeted towards this goal.

Annex I

Evaluation compliance

Introduction

1. The present report is the fifth on evaluation compliance submitted to the Executive Board. It provides information on the progress on compliance with the requirement of mandatory evaluation for the portfolio of projects approved in 1990, 1991 and 1992. As stated in the previous report (DP/1999/17), there will not be any further reporting on the performance of the 1988-1989 portfolio, which surpassed the target of 70 per cent set for the end of 1998. Thus, the reporting on compliance is limited to three portfolios, namely projects approved in 1990, 1991 and 1992. The presentation of the data follows the same format as previous analyses (DP/1996/CRP.7, DP/1997/16/Add. 4 (annex II), DP/1998/19 and DP/1999/17).

I. Collection of reports and extraction of data

2. The Central Evaluation Database (CEDAB) is an institutional memory, based on in-depth evaluations of the relevance, performance and success of UNDP-supported programmes and projects. The Project Evaluation Information Sheet (PEIS), is an abstract of the full evaluation report, which — when completed — enables the Evaluation Office to enter the data pertaining to every project/programme evaluation in CEDAB.[a]

A. Global analysis

3. The Evaluation Office received a total of 2,344 evaluation reports for the period from 1986 to 1999 (table 1) as against the 2,085 reported last year. The increase by 259 in the number of reports is due mainly to the receipt of 141 reports for evaluations conducted in 1999 and 59 additional reports for 1998.

Table 1
Total number of evaluation reports received by the Evaluation Office by year of evaluation

1986	*1987*	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*	*Total*
209	158	159	193	263	241	200	145	149	149	106	87	144	141	2 344

4. Table 2 shows the number of reports that have been processed, by year of evaluation, i.e., the number of reports for which the PEIS has been completed and the data has been entered into CEDAB. The corresponding data-processing rates

a The evaluation team leader must submit, together with the full evaluation report, a PEIS based on the evaluation report. The country office or headquarters unit that managed the evaluation should ensure compliance with the requirement of submission of the PEIS (Section 7.4.6 of Chapter 7 of the UNDP Programming Manual).

(number of reports processed as a percentage of the number of reports received) are given in table 3.

Table 2
Number of reports processed, by year of evaluation

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
59	87	134	148	207	166	158	97	87	98	73	45	65	73	1 497

Table 3
Data-processing rates, by year of evaluation (percentage)

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Average
28	55	84	77	79	69	79	67	58	66	69	52	45	52	64

5. The average rate of data processing for the evaluations conducted from 1986 to 1999 is 64 per cent (table 3) compared to 67 per cent for the evaluations conducted in the period 1986-1998. The Office of Evaluation and Strategic Planning (OESP) (now the Evaluation Office) centrally managed the processing of data from reports of evaluations conducted until 1996.

B. Breakdown of evaluation reports provided by bureaux

6. The Regional Bureau for Africa (UNDP-A) was the leading annual contributor until 1992, after which the Bureau for Asia and the Pacific (UNDP-AP) assumed the lead (table 4). With an increase of 16 per cent in the total number of reports received from UNDP-AP, this Bureau has become the largest overall contributor for the period 1986-1999.

Table 4
Number of evaluation reports received, by bureau and year of evaluation

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
UNDP-A	78	74	78	90	140	114	85	40	58	41	35	12	28	19	892
UNDP-AP	77	52	57	63	77	94	78	70	67	57	33	48	76	66	915
UNDP-AS	18	22	9	9	21	12	18	10	7	11	19	12	13	4	185
UNDP-ECIS	11	5	1	0	1	0	1	1	0	4	0	0	9	30	63
UNDP-LAC	20	3	14	29	23	17	16	15	14	23	14	15	17	21	241
BDP	5	2	0	2	1	4	2	9	3	13	5	0	1	1	48
Total	**209**	**158**	**159**	**193**	**263**	**241**	**200**	**145**	**149**	**149**	**106**	**87**	**144**	**141**	**2 344**

7. Table 5 shows the number of evaluation reports, by bureau and evaluation year, for which the PEIS has been completed and the information has been entered in CEDAB.

Table 5
Number of evaluation reports processed, by bureau and by year of evaluation

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
UNDP-A	14	38	64	72	110	64	64	28	33	36	25	5	16	15	584
UNDP-AP	34	39	50	48	64	80	70	57	50	47	29	27	32	27	654
UNDP-AS	7	5	9	5	18	8	10	5	0	9	17	8	2	2	105
UNDP-ECIS	2	2	1	0	0	0	1	1	0	0	0	0	5	15	27
UNDP-LAC	1	2	10	23	14	14	12	6	4	6	2	5	10	14	123
BDP	1	1	0	0	1	0	1	0	0	0	0	0	0	0	4
Total	**59**	**87**	**134**	**148**	**207**	**166**	**158**	**97**	**87**	**98**	**73**	**45**	**65**	**73**	**1 497**

8. Table 6 presents the rates of extraction (number of reports processed as a percentage of the reports received) by bureau. It can be observed that UNDP-AP maintains the lead in the overall rate of extraction with 71 per cent, followed by UNDP-A with 65 per cent. The positive performance of UNDP-ECIS (Bureau for Europe and the Commonwealth of Independent States) should be noted, with rates of extraction for 1998 and 1999 of 56 and 50 per cent, respectively.

Table 6
Rates of extraction, by year of evaluation (percentage)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Average
UNDP-A	18	51	82	80	79	56	75	70	57	88	71	42	57	79	65
UNDP-AP	44	75	88	76	83	85	90	81	75	82	88	56	42	41	71
UNDP-AS	39	23	100	56	86	67	56	50	0	82	89	67	15	50	57
UNDP-ECIS	Not meaningful												56	50	53
UNDP-LAC	5	67	71	79	61	82	75	40	29	26	14	33	59	67	51
BDP	Not meaningful														

C. Findings

9. The number of reports received annually shows a declining trend during the period 1991-1997. A shift in this trend occurs in 1998 when the number of reports received exceeded those received in 1997 by 66 per cent. The requirement that evaluators complete a PEIS is still not observed for all the evaluations conducted, limiting the growth of the institutional memory of lessons learned from evaluations in CEDAB.

II. Coverage

A. Existing rules

10. In the *Results-oriented Monitoring and Evaluation: A Handbook for Programme Managers* and in chapter 7 of *Monitoring, Reporting and Evaluation* of the *UNDP Programming Manual*, it is stated that a project with any of the following characteristics should be subject to mandatory evaluation: (a) scale of resources — i.e., programmes and projects with budgets of $1 million or more and (b) duration of technical cooperation, i.e., cooperation that has been provided to a particular institution for 10 years or more. The present report presents the data regarding the projects falling under the criterion noted in (a).

B. Time-frame

11. Table 7, which shows the year of evaluation of the projects approved from 1988 to 1998, confirms the need for a 10-year period to complete the collection of evaluation reports relating to a specific year of project approval. This results from the flexibility in the timing of the evaluations (mid-term, terminal and ex-post).

Table 7
Number of evaluation reports received, by year of project approval and year of evaluation

	Year of project approval										
Year of evaluation	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*	*1998*
1988	1										
1989	15										
1990	75	11	1								
1991	70	56	14	1							
1992	34	58	46	9							
1993	23	27	41	29	8	1					
1994	13	16	24	40	36	6					
1995	4	4	15	24	73	16	7	3			
1996	5	9	15	11	18	29	14	2			
1997	0	2	2	15	24	17	9	8	7	2	
1998	4	5	13	9	16	20	15	21	13	24	
1999	2	1	7	4	13	17	6	19	23	36	13
2000			1						1	2	2
Total	**246**	**189**	**179**	**142**	**188**	**106**	**51**	**53**	**44**	**64**	**15**

C. Mandatory and other evaluations

12. A decrease in the number of reports on mandatory and non-mandatory evaluations received by the Evaluation Office for the project approval years 1988 to 1991 is shown in table 8. However, a 98 per cent increase is observed in the number of reports on non-mandatory evaluations received for the portfolio of projects approved in 1992 over those received for the approval year 1991.

Table 8
Number of evaluation reports received, by year of project approval

	Year of project approval					
	1988	*1989*	*1990*	*1991*	*1992*	*Total*
Mandatory evaluations	171	133	127	95	95	621
Non-mandatory evaluations	75	56	52	47	93	232
Total	**246**	**189**	**179**	**142**	**188**	**944**

D. Financial coverage of projects subject to mandatory evaluation

13. The sources of the financial data for projects approved in the period 1988-1992 are: (a) the annual reports of the Administrator to the Executive Board on programme implementation, and (b) the programme information profiles issued by the Division for Administrative and Information Services (DAIS) at the request of the Evaluation Office.

14. Tables 9 and 10 show the number of projects of $1 million or more as a percentage of the total number of projects approved and the financial coverage of these projects, respectively. For the period 1988-1992, the 15 per cent of projects for which mandatory evaluations are required account for an average of 66 per cent of total financial resources allocated to projects.

Table 9
Number of mandatory evaluations as a percentage of the total number of projects approved

	Year of project approval					
	1988	*1989*	*1990*	*1991*	*1992*	*Total*
Number of projects approved	1 794	1 437	1 256	1 152	1 395	7 034
Number of projects above $1 million	257	213	210	160	180	1 020
Coverage (percentage)	14	15	17	14	13	15

Table 10
Financial coverage of projects subject to mandatory evaluation ($ million)

	Year of project approval					
	1988	1989	1990	1991	1992	Total
Financial resources for all projects approved	808	673	850	631	841	3 803
Financial resources for projects above $1 million	562	446	526	408	579	2 521
Coverage (percentage)	70	66	62	65	69	66

15. When the calculations are based on evaluations actually conducted the financial coverage for the period 1988-1992 is 48 per cent, representing an improvement over the 44 per cent reported last year.

E. Findings

16. The development on the financial coverage of projects with budgets of $1 million or more confirms that the criterion for mandatory evaluations, based on the scale of the project resources, is cost-effective.

III. Compliance

A. Global compliance

17. The overall rate of strict compliance for the project approval years 1990 to 1992 is 64 per cent, which is higher than the 53 per cent average rate for these three portfolios in last year report. The portfolio of projects approved in 1990 has attained the compliance target of 70 per cent set for the end of 1999; its rate of strict compliance has improved from the 59 per cent reported last year to 71 per cent. In view of the fact that the 10-year period for the full evaluation cycle has elapsed, there will be no further reporting on the performance of the 1990 portfolio. The rates of strict compliance for the 1991 (from 56 to 64 per cent) and 1992 (from 44 to 56 per cent) portfolios have also improved over those reported last year. A compliance target of 75 per cent has been established for 1991 and 1992, to be attained by the end of 2000 and 2001, respectively.

18. The rates of likely compliance (which take into account the number of reports awaited and the evaluations scheduled in calculating the compliance rate) have improved for all the three portfolios. The average rate of likely compliance for 1990-1992 portfolios combined has risen to 74 per cent from the 65 per cent reported last year for the portfolio of projects approved in the above three-year period.

19. The cases with an unclear evaluation status in the portfolios of projects approved in 1990-1992 have been reduced by 39 per cent (from 143 reported last year to 86). Justifiable explanations for not conducting a mandatory evaluation have been received in 8 additional cases and are shown under the category "evaluations not conducted, with full justification".

Table 11
Strict and likely compliance (numbers and percentage)

	Year of project approval			
	1990	*1991*	*1992*	*Total*
Mandatory evaluations (A)	210	160	180	550
Reports received (B)	127	95	95	317
Not conducted, with full justification (C)	22	8	5	35
Subtotal #1 (B+C)	149	103	100	352
Strict compliance (%): (B+C)/A	71	64	56	64
Reports awaited (D)	5	7	8	20
Evaluations scheduled (E)	14	12	9	35
Subtotal #2 (B+C+D+E)	168	122	117	407
Likely compliance if all reports are received (%): (Subtotal 2/A)	80	76	65	74
Not conducted but other actions	5	3	1	9
Not conducted but explained	22	20	6	48
No clear information	15	15	56	86

B. Compliance by the bureaux

1. Compliance status for project approval period 1990

20. The overall compliance target of 70 per cent set for the end of 1999 has been met; a 71 per cent rate of strict compliance has been attained (table 12). This is due mainly to the positive reaction of UNDP-AP translated in a significant improvement over its rate of strict compliance reported last year (from 47 to 67 per cent). The rates of strict compliance for UNDP-A (from 70 to 75 per cent), UNDP-LAC (from 25 to 50 per cent), and BDP (from 68 to 73 per cent) have also improved. UNDP-AP and UNDP-LAC rates of compliance are below the overall target of 70 per cent.

Table 12

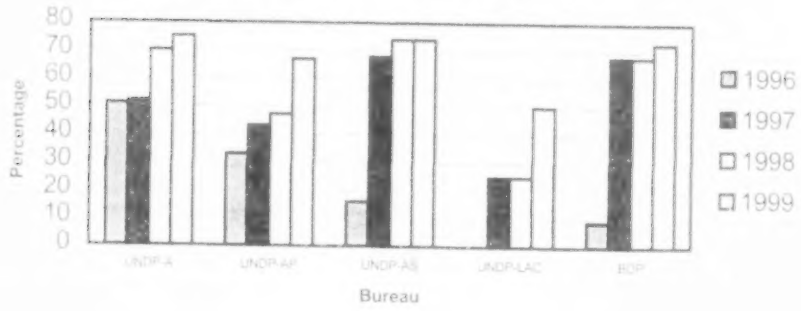
Compliance status of the 1990 portfolio, by bureau (numbers and percentage)

	UNDP-A	UNDP-AP	UNDP-AS	UNDP-ECIS	UNDP-LAC	BOP	Total
Projects over $1 million	69	95	19	1	4	22	210
Evaluations received	38	58	13	1	1	16	127
Not conducted, with full justification	13	6	1	0	1	0	22
Strict compliance (%)	75	67	74	100	50	72	71
Reports awaited	1	2	1	0	0	1	5
Scheduled	4	8	2	0	0	0	14
Likely compliance (%)	83	78	89	100	50	77	80
Other actions	0	1	0	0	1	3	5
Not conducted	4	16	1	0	1	0	22
No clear information	8	4	1	0	0	2	15

21. The overall rate of likely compliance has improved over that reported last year from 74 to 80 per cent.

22. Nineteen cases with an unclear evaluation status have been clarified, thus the total of 34 cases reported last year has been reduced to 15. It should be noted that, of the 19 cases reduced, UNDP-AP provided information on the status of 15 of the projects.

Figure 1. Compliance evolution for the 1990 portfolio, by year of reporting

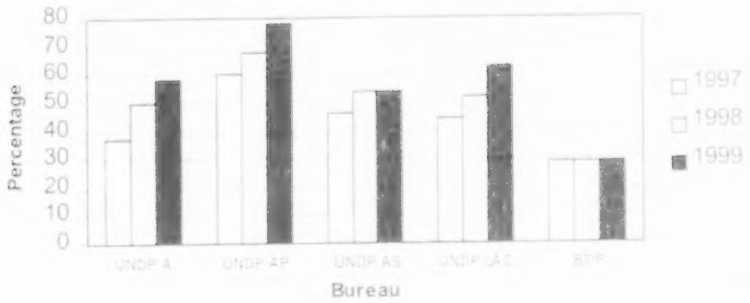


Note: UNDP-ECIS is not included because only one project was subject to mandatory evaluation.

2. Compliance status of the 1991 portfolio

23. The overall rate of strict compliance has increased from 56 to 64 per cent as a result of improvements in the rates of UNDP-LAC (from 52 to 63 per cent), UNDP-AP (from 68 to 78 per cent), and UNDP-A (from 50 to 58 per cent). The rates of strict compliance for UNDP-AS and BDP remain at 54 and 29 per cent, as reported last year. A 75 per cent compliance target has been set for the end of the year 2000.

Figure 2. Compliance evolution for the 1991 portfolio, by year of reporting



Note: UNDP-ECIS is not included because only one project was subject to mandatory evaluation.

Table 13
Compliance status of the 1991 portfolio, by bureau (numbers and percentage)

	UNDP-A	UNDP-AP	UNDP-AS	UNDP-EUR	UNDP-LAC	BDP	Total
Projects over $1 million	52	60	13	1	27	7	160
Evaluations received	29	42	7	0	15	2	95
Not conducted, with full justification	1	5	0	0	2	0	8
Strict compliance (%)	58	78	54	N/A	63	29	64
Reports awaited	0	2	2	0	2	1	7
Scheduled	5	3	1	1	2	0	12
Likely compliance (%)	67	87	77	N/A	78	43	76
Other actions	1	1	0	0	1	0	3
Not conducted	7	4	3	0	4	2	20
No clear information	9	3	0	0	1	2	15

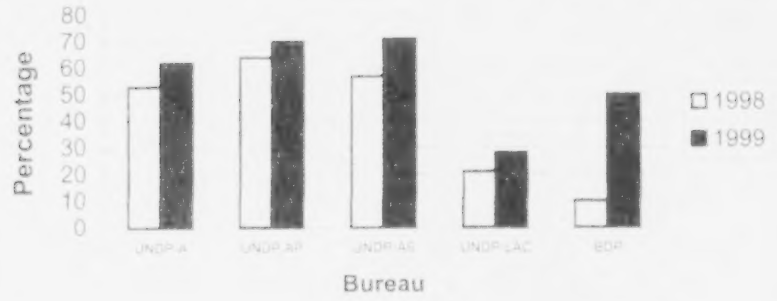
24. The overall rate of likely compliance has improved from 71 per cent reported last year to 76 per cent as a result of improvements in the rates of UNDP-AP (from 78 to 87 per cent) and UNDP-A (from 62 to 67 per cent). The likely compliance rate, estimated at 76 per cent, is very close to the target of strict compliance of 75 per cent set for the end of 2000 for this portfolio.

25. Additional justifications for not conducting evaluations are reflected under the category "evaluations not conducted, with full justification". The number of cases with an unclear evaluation status has been reduced from 24 to 15.

3. Compliance status of the 1992 portfolio

26. The overall rate of strict compliance has increased from 44 to 56 per cent as a result of improvements in UNDP-A (from 53 to 62 per cent), UNDP-AP (from 64 to 70 per cent), UNDP-AS (from 57 to 71 per cent), UNDP-LAC (from 21 to 28 per cent), and BDP (from 10 to 50 per cent). An overall target of 75 per cent for the end of 2001 has been set for this portfolio.

Figure 3. Compliance evolution for the 1992 portfolio, by year of reporting



Note: UNDP-ECIS is not included because only one project was subject to mandatory evaluation.

Table 14
Compliance status of the 1992 portfolio, by bureau (numbers and percentage)

	UNDP-A	UNDP-AP	UNDP-AS	UNDP-ECIS	UNDP-LAC	BDP	Total
Projects over $1 million	45	64	7	1	43	20	180
Evaluations received	28	45	4	0	8	10	95
Not conducted, with full justification			1		4		5
Strict compliance (%)	62	70	71	N/A	28	50	56
Reports awaited		1			5	2	8
Scheduled	1	4			4		9
Likely compliance (%)	64	78	71	N/A	49	60	65
Other actions	1						1
Not conducted	1	2	1		2		6
No clear information	14	12	1	1	20	8	56

27. The overall rate of likely compliance has improved from 51 per cent reported last year to 65 per cent although it still falls short of the target of 75 per cent set for the end of 2001.

28. Additional justifiable explanations for not conducting the evaluations have been received and are reflected under the category "evaluations not conducted with full justification".[b] The number of projects with an unclear evaluation status has

[b] Justifiable reasons for not conducting a mandatory evaluation are: (a) cancellation of the programme or project; (b) the programme or project has been evaluated by a development partner and the substantive concerns of UNDP have been adequately assessed by that evaluation.

been reduced from 85 to 56. However, this is still considered high, particularly for UNDP-LAC and BDP, where the "no clear information" category represents 47 and 40 per cent of their portfolios, respectively.

4. Comparison of three project portfolios: 1990, 1991 and 1992

29. The situation of the three project portfolios reviewed at a similar stage in their development is shown in table 15: the 1990 portfolio as of January 1998, the 1991 portfolio as of January 1999 and the 1992 portfolio as of January 2000. The rates of strict (51 per cent) and likely (63 per cent) compliance for the 1990 portfolio are lower than those reported for the 1991 and 1992 portfolios at similar stages in their development. The number of projects with an unclear evaluation status in the 1992 portfolio is considered high. These cases represent 32 per cent of the 1992 portfolio while the number of projects in the category "no clear information" constitute 28 per cent and 15 per cent of the portfolios for 1990 and 1991, respectively.

Table 15
Three portfolios of evaluations at a similar stage of development (numbers and percentage)

	1990 as of Jan. 1998	*1991 as of Jan. 1999*	*1992 as of Jan. 2000*
Mandatory evaluations (A)	210	160	180
Reports received (B)	90	84	95
Not conducted, with full justification (C)	17	6	5
Strict compliance (%): (B+C)/A	51	56	56
Reports awaited (D)	9	7	8
Evaluations scheduled (E)	17	17	9
Likely compliance if all reports are received (%): (B+C+D+E)/A	63	71	65
Not conducted but other actions taken	4	3	1
Not conducted but explained	14	19	6
No clear information	59	24	56

C. Findings

30. The compliance target of 70 per cent that was set for the end of 1999 has been met by the portfolio of projects approved in 1990. Close attention by management has proven to be a key element for the attainment of the target.

31. The portfolio of projects approved in 1991 has attained a 64 per cent rate of strict compliance and 76 per cent rate of likely compliance. It is anticipated that the overall target of 75 per cent set for the end of 2000 will be attained.

32. The rates of strict and likely compliance attained by the portfolio of projects approved in 1992 of 56 per cent and 65 per cent, respectively, are still below the overall target of 75 per cent set for the end of 2001. The number of projects with unclear evaluation status is high.

D. Follow-up to recommendations contained in last year's report

33. The Evaluation Office has written to the Office for Audit and Performance Review requesting that their audit review reporting include information on institutions that have received UNDP support for 10 years or more. In addition, steps have been taken to identify, through the evaluation plan database referred to in paragraph 35 below, those projects subject to mandatory evaluation on basis of the duration of the UNDP technical cooperation provided to an institution.

34. The Evaluation Office has developed a database providing for on-line reporting by country offices on their three-year rolling evaluation plans. This database is in its final stage of development and will be made available throughout UNDP.

IV. Recommendations

35. The non-compliance with the requirement of completion of the PEIS by the evaluation team leader limits the growth of lessons learned in CEDAB. The Evaluation Office will stress the need for strict observance by country offices and UNDP units managing evaluations of section 7.4.6 (Monitoring, reporting and evaluation) of the UNDP *Programming Manual*.

36. To ensure the timely attainment of the compliance targets set, the Evaluation Office will continue to follow up closely with the bureaux and respective country offices on projects with an unclear evaluation status.

Annex II

List of evaluations/assessments conducted by the Evaluation Office and timetable for future evaluations

Evaluations/assessments conducted in 1999 to June 2000

Evaluations	Essentials
Post-conflict situations	Small and medium-size enterprise development
Decentralization and good governance	Entrepreneurship development
UNDP-UNOPS relationship	Microfinance
Review of the SURF system	Assisting legislatures

Evaluations under way or proposed

Evaluation of UNDP non-core resources (as requested by Executive Board)
Development partnerships (in collaboration with UNFPA and UNICEF)
Assessment of target for resource assignment from the core (TRAC) line 1.4
Evaluative research programme
- Governance-poverty linkages
- Macro-micro linkages

Impact assessments

Burkina Faso
Malawi
One country from the Asia region (to be identified)

Proposed *Essentials*

Post-conflict situations
Decentralization and local governance
Assisting legislatures
Judicial reforms: improving fairness and increasing access to justice
Human rights: generating awareness and strengthening institutions
Electoral assistance: entry point to a broader governance agenda